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SECRETCOR-0243
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26 November 1958

MEMORANDUM FOR : Special Assistant to the Director
for Planning and Development

THROUGH : Director of Development and Procurement, DPS

SUBJECT : Trip Report of [] to
San Francisco and Vicinity

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1. On 20 November 1958, the undersigned attended a progress report meeting on the CORONA program. On 21 November 1958, negotiations were attended between the prime Contractor and one of its subcontractors (ITEK).

2. ITEK felt very strongly that [] often referred to was unrealistic and that the lowest figure that the Company would recommend was approximately []. [] stated that a total of [] had already been obligated or expended by ITEK and Fairchild. An additional [] was required to complete the Fairchild work. These two figures alone total []. Accordingly, ITEK indicated that to reduce the total to [] would mean that they could perform no additional work beyond 1 November 1958 (already past). Regardless of this, the prime Contractor requested that ITEK submit a proposal to them, indicating what items it would be necessary to cut in order to reduce the figure []. ITEK advised that if this were done many areas of joint responsibility would be eliminated and they could not be responsible for the operation of the system.

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3. The following general items were discussed with the prime Contractor:

- a. Reviewed the present status and record keeping required for Government-furnished equipment supplied by the White program.
- b. Again stated the system by which equipment approvals would be processed, particularly with regard to the furnishing of various items by the Government in lieu of being Contractor-purchased.
- c. Reviewed the need for documentation indicating receipt of equipment and an operationally expended certificate.

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- d. Reviewed the present status of audit findings at the various subcontractors' plants.
- e. Discussed the need for quality control and the prime Contractor's responsibility therefor.
- f. Discussed packing requirements.
- g. Discussed [] problem which apparently could increase the prime Contractor's costs in the vicinity of []. However, additional costs, if any, due to this problem, will not be reflected until submission of ITEK's revised proposal.

4. [] was also visited on the afternoon of 21 November 1958. [] and the undersigned visited Mr. [] of the Company and briefed him on security and contract matters.

[]
Contracting Officer, DPS

DPS/DCI []

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